

SENATE BILL NO. 235

IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS ELLIS, Little

Introduced: 1/10/94
Referred: HES, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to forgiveness of student loans of certain health care
2 professionals and to student financial assistance; and providing for an effective
3 date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. AS 14.43.120 is amended by adding new subsections to read:

6 (v) A borrower who meets the conditions provided in this section and is
7 employed as a health care professional in a geographical area of the state determined
8 to have a health care professional shortage for the borrower's profession by the
9 Department of Health and Social Services under AS 44.29.020(b) shall, subject to
10 appropriation by the legislature, have a portion of the loan paid by the state equal to
11 the following percentages of the total loan received plus interest up to a total of 70
12 percent of the total loan plus interest: (1) one year employment, 10 percent; (2) two
13 years employment, an additional 12 percent; (3) three years employment, an additional
14 14 percent; (4) four years employment, an additional 16 percent; (5) five years

1 employment, an additional 18 percent. In this subsection, "health care professional"
2 means a person who is licensed as a physician or osteopath under AS 08.64.230, as
3 a physical therapist or occupational therapist under AS 08.84, as a registered nurse
4 under AS 08.68.190 or 08.68.200, or a person practicing medicine as a physician's
5 assistant who is registered under AS 08.64.107.

6 (w) Notwithstanding any other provision of law, while a person's loan is being
7 paid by the state under (v) of this section, that person may not receive forgiveness of
8 a loan under another provision of this chapter.

9 * Sec. 2. AS 14.43 is amended by adding a new section to read:

10 Sec. 14.43.950. EMPLOYMENT CONDITION FOR PARTICIPANTS IN
11 CERTAIN EDUCATION PROGRAMS. As a condition of eligibility for receiving a
12 tuition differential subsidy under a program offered by the Western Interstate
13 Commission for Higher Education or the Alaska Commission on Postsecondary
14 Education under AS 14.42.030(d), a program participant shall agree to be employed
15 in the state for a period of at least six months for each school year of participation in
16 the program for which there is a tuition differential subsidy. Except for a person who
17 is completing a medical residency program, a person who does not meet the
18 employment requirements of this section within four years after completing the
19 person's subsidized education shall pay to the state 50 percent of the tuition differential
20 subsidy received by the person plus interest as required for scholarship loans under
21 AS 14.43.120(f). Interest under this section begins to accrue one year after the person
22 completes the subsidized education program.

23 * Sec. 3. AS 44.29.020 is amended by adding a new subsection to read:

24 (b) The department shall, by September 30 of each year, prepare a report that
25 (1) lists by profession those geographic areas of the state that have a health care
26 professional shortage; (2) identifies the number of health care professionals employed
27 in each area of shortage; and (3) recommends changes to the health care professional
28 loan forgiveness program under AS 14.43.120(v). The report prepared under this
29 subsection shall be provided to the Alaska Commission on Postsecondary Education.
30 The commissioner of health and social services shall adopt regulations regarding the
31 determination of geographic areas with a health care professional shortage. In this

1 subsection, "health care professional" has the meaning given in AS 14.43.120(v).

2 * Sec. 4. APPLICABILITY. (a) AS 14.43.120(v), added by sec. 1 of this Act, applies to
3 a person's employment as a health care professional that occurs after July 1, 1994.

4 (b) AS 14.43.950, added by sec. 2 of this Act, applies to a person who begins an
5 education program and who receives a tuition differential subsidy on or after January 1, 1995.

6 (c) AS 14.43.120(v), enacted in sec. 1 of this Act, does not apply to a loan received
7 before July 1, 1993.

8 * Sec. 5. This Act takes effect July 1, 1994.